

Gina Baker Hantel
Assistant Attorney General
P.O. Box 20207
Nashville, TN 37202-0207
Phone: (615) 532-8928
Facsimile: (615) 741-3334
Gina.Hantel@ag.tn.gov

Counsel for the State of Tennessee
Department of Revenue

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

| | | |
|----------------------------|---|-------------------------|
| ----- | : | |
| In re: | : | Chapter 11 |
| | : | |
| CIRCUIT CITY STORES, INC., | : | Case No. 08-35653 (KRH) |
| et al., | : | |
| | : | |
| Debtors. | : | Jointly Administered |
| ----- | : | |

**RESPONSE TO LIQUIDATING TRUST'S OBJECTION TO CLAIM
NOS. 12970 AND 14308 OF THE TENNESSEE DEPARTMENT OF REVENUE**

COMES now the Office of the Attorney General, on behalf of the Tennessee Department of Revenue (the "TDOR"), by and through counsel, and responds to the Debtors' objection to the administrative claim of the TDOR. In support of the claim, the TDOR respectfully submits the following:

1. The Debtors filed for relief under Chapter 11 of the Bankruptcy Code on November 10, 2008.
2. The Debtors filed this Omnibus Objection seeking to have claims 12970 and 14308 of the TDOR disallowed.
3. With respect to claim 12970 in the amount of \$1,339,146.98, the TDOR agrees to the disallowance of \$382,195.56. The remaining liability on this claim, which is the result of an

audit, is \$956,951.42,

4. With respect to claim 14308, in the amount of \$3,395,581.24, the TDOR agrees to the disallowance of all but \$1,037.05, the remaining liability.

5. The Commissioner of Revenue has the authority to make assessments pursuant to T.C.A. §§ 67-1-102; 67-6-517; and 67-4-703. Assessments are binding and presumed accurate without evidence to the contrary. T.C.A. § 67-1-1438. Furthermore, pursuant to Tennessee Code Annotated § 67-6-517, the burden to show the contrary shall rest upon the dealer (Debtors herein).

6. Because tax claims are not claims “in writing,” Fed.RulesBankr.Proc.Rule 3001, 11 U.S.C.A., supporting documentation is not required. *State Bd. of Equalization v. Los Angeles Int'l Airport Hotel Assocs. (In re Los Angeles Int'l Airport Hotel Assocs.)*, 106 F.3d 1479, 1480 (9th Cir. 1997)

WHEREFORE, the TDOR prays:

1. That the Court deny the Trust's Objection to the claim of the TDOR;
 2. That the Court enter an Order allowing the claims in the above stated amounts;
- and
3. For such further relief to which the TDOR may be entitled.

DATED this 7th day of April, 2011.

Respectfully submitted,
ROBERT E. COOPER, JR.
Attorney General and Reporter

/s/ Gina Baker Hantel
Gina Baker Hantel, BPR #018019
Assistant Attorney General
Bankruptcy Division
P.O. Box 20207
Nashville, TN 37202-0207
(615) 532-8928
Fax: (615) 741-3334
Gina.Hantel@ag.tn.gov

CERTIFICATE OF SERVICE

I do hereby certify that a true and exact copy of the foregoing Response to Objection to the Claims of the Tennessee Department of Revenue has been either emailed, faxed, and/or forwarded by first class U.S. postage pre-paid to the following:

Jeffrey N. Pomerantz, Esq.
Andrew W. Caine, Esq.
(admitted *pro hac vice*)
PACHULSKI STANG ZIEHL & JONES LLP
10100 Santa Monica Boulevard
Los Angeles, CA 30067-4100

Lynn L. Tavenner, Esq.
Paula S. Beran, Esq.
TAVENNER & BERAN, PLC
20 North Eighth St., 2nd Floor
Richmond, VA 23219

on this the 7th day of April, 2011.

/s/ Gina Baker Hantel
Gina Baker Hantel